

KUAKINI PHYSICIANS' TOWER CONDOMINIUM

REGISTRATION NO. 2816

REVISED DISCLOSURE ABSTRACT AS OF FEBRUARY 12, 2016

The disclosure abstract had been previously part of the developer's Superseding Sixth Supplementary Public Report Registration Number 2816 as "Exhibit Q" with an effective date of August 14, 2015. This amended (revised) disclosure abstract updates "Exhibit Q" of the Superseding Sixth Supplementary Public Report Registration Number 2816 with an effective date of August 14, 2015. This amended (revised) disclosure abstract amends the disclosure abstract dated as of February 12, 2015, as follows:

1. Name and Address of Project (the "Project"):

KUAKINI PHYSICIANS' TOWER
405 North Kuakini Street
Honolulu, Hawaii 96817

2. Name, Address and Telephone Number of Developer (the "Developer"):

KUAKINI SUPPORT SERVICES, INC.
347 North Kuakini Street
Honolulu, Hawaii 96817
(808) 547-9231

3. Name, Address and Telephone Number of Managing Agent of Project (the "Managing Agent"):

Marcus Property Management, LLC
1045 Mapunapuna Street
Honolulu, Hawaii 96819
(808) 839-7446

4. Maintenance Fees: The following documents are attached hereto:

Exhibit "A": Estimated Maintenance Fee Disbursements

Exhibit "B": Budget Notes for Estimated Maintenance Fee
Disbursements

Exhibit "C": Estimated Replacement Reserves

Exhibit "D": Estimated Monthly and Annual Maintenance Fees

The Managing Agent has certified that these exhibits have been prepared based on generally accepted accounting principles. Note, however, that the Estimated Monthly

and Annual Maintenance Fees do not reflect the revenues, if any, derived from the Project. In addition, the Developer advises all purchasers that the maintenance fees of a condominium project are difficult to estimate. Even if maintenance fees have been accurately estimated, such fees will tend to increase in an inflationary economy and as the improvements age. The estimated maintenance fees are based on the latest information available to the Developer and the Managing Agent and are subject to revision based on actual costs for items enumerated. Maintenance fees can vary depending on services desired by unit owners. Each buyer should carefully review the attached exhibits.

Notwithstanding the foregoing, no unit owner, including the Developer, shall be obligated for the payment of such unit owner's monthly maintenance fees until Office Units representing fifty-one percent (51%) or more of the common interests have been conveyed to Office Unit owners (excluding those Office Units initially conveyed to Developer), and the Developer files an amended Disclosure Abstract with the Real Estate Commission providing for a specific date on which such unit owner must commence payment of such unit owner's respective monthly maintenance fees, which amended Disclosure Abstract shall be filed with the Hawaii Real Estate Commission at least thirty (30) days prior to the date on which each unit owner must assume responsibility for payment of such unit owner's respective monthly maintenance fees. The Developer will furnish each unit owner with a copy of such amended Disclosure Abstract. For the purposes of this paragraph, an Office Unit initially conveyed to Developer shall not be included in the computation of the common interests until the date on which Developer leases or conveys such Office Unit, whichever is earlier.

5. Warranties: There are no warranties, express or implied, with respect to the units in the Project or any common element of anything installed therein.

6. Proposed Number of Units. The Project consists of seventy-seven (77) units, which includes seventy-two (72) office units ("Office Units") and five (5) commercial units ("Commercial Units"). The units shall be restricted as to use as follows:

a. Commercial Units. The Commercial Units are intended and shall be used only for general office purposes, for the sale and/or consumption of food or drinks, for hospital ancillary services, including, without limitation, laboratory, pharmacy and radiology services, and for postal sales and services and for no other purpose unless Kuakini Medical Center as the Fee Owner (the "Fee Owner") consents in writing to some other use.

b. Office Units.

(i) "Staff Privileges" Office Units. Except with respect to the "Healthcare-Related" Office Units (as described in paragraph 6.b.(ii) below), the office units are intended and shall be used and occupied only as professional office space for licensed health care providers with staff privileges at Kuakini Medical Center, including without limitation, osteopathic physicians, dentists and dental surgeons with such staff privileges (herein referred to as "Unit Occupant"), and for no other purpose. Except for the use of x-ray or laboratory equipment for diagnostic purposes in connection with the treatment of a Unit Occupant's patients, the installation and operation of x-ray, CT scanners, magnetic resonance imaging and

other laboratory equipment and facilities, or any other equipment which might overload the floors of the building, are expressly prohibited in the office units of the Project. No Unit Occupant shall operate a pharmacy or dispense or provide pharmaceutical products to persons other than such Unit Occupant's patients. The foregoing shall not, however, be construed to prevent the use and occupancy of a portion of an office unit by one or more rehabilitation therapists if (A) the use and occupancy of such office unit by a licensed physician is the primary use of such office unit; and (B) rehabilitation therapy services are a necessary or desirable adjunct to the medical practice of such licensed physician.

(ii) "Healthcare-Related" Office Units. With respect to those office units which the Fee Owner designates in the original condominium conveyance document covering such units or otherwise as "Healthcare-Related" Office Units, then, in addition to the uses permitted with respect to the "Staff Privileges" Office Units, such office units may be used and occupied by (A) licensed health care providers (including those without staff privileges at Kuakini Medical Center); (B) persons engaged in the healthcare business or otherwise engaged in promoting or assisting in the advancement of healthcare (including, without limitation, research, development and support of healthcare); and (C) any other persons determined by Fee Owner to be compatible with the use and occupancy of office units contemplated in paragraph 6.b.(i) above or in clauses (A) or (B) of this paragraph 6.b(ii). Further, all of the provisions of paragraph 6.b(i) above following the first sentence of said paragraph shall be applicable to such units.

7. Extent of Commercial Development. The Project consists entirely of units intended for commercial/office use only.

8. Approximate Area Common Interest Computation. The Common Interest listed for each unit in the original Kuakini Physicians Tower Declaration of Condominium Property Regime was computed with the unit area information available at the time of recordation of the original Declaration and may have changed based on the final "As-Built" plans. Notwithstanding any such variations, the Common Interests assigned in the original Declaration shall continue to apply and be conclusive and binding for all purposes.

9. Commercial Parking Garage. A commercial parking garage shall be permitted in the Project, which shall include one hundred (100) of the parking stalls designated as Limited Common Elements of Commercial Unit 5. The terms, conditions and rates for visitor parking any commercial parking garage established or to be established in the Project shall be determined by the Owner of Commercial Unit 5. Any other Unit Owner may also elect to have such Unit Owner's parking stalls participate in such commercial parking garage.

10. Prior Disclosure Abstract. This disclosure abstract supersedes all prior disclosure abstracts for the Project.

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EXHIBIT A
ESTIMATION OF MAINTENANCE FEE
DISBURSEMENT

<u>EXPENSES</u>	Monthly	Annual
Utilities and Services		
Air Conditioning (chiller)	375	4,500
Air Conditioning (air handler and exhaust)	410	4,920
Electricity (common only)	23,000	276,000
Elevator	2,500	30,000
Refuse Collection	985	11,820
Telephone	230	2,760
Water/Sewer (common only)	1,725	20,700
Plumbing	250	3,000
Garage Operators	500	6,000
Fire Protection	1,008	12,096
Security	3,250	39,000
Parking	1,500	18,000
Building & Garage Janitorial	4,495	53,940
Landscape	1,000	12,000
Window Cleaning	434	5,208
Energy Management	400	4,800
Emergency Generator	<u>520</u>	<u>6,240</u>
Subtotal	42,582	510,984
Maintenance		
General Maintenance	1,800	21,600
Elevator Maintenance	435	5,220
Air Conditioning M/R	<u>810</u>	<u>9,720</u>
Subtotal	3,045	36,540
Management & Payroll		
Management Fees	3,500	42,000
Payroll and Taxes	4,300	51,600
Office	100	1,200
Other	<u>500</u>	<u>6,000</u>
Subtotal	8,400	100,800
Insurance	<u>3,500</u>	<u>42,000</u>
Expense Grand Totals	57,527	690,324
Reserve	<u>19,988</u>	<u>239,856</u>
Total Expenses	77,515	930,180

EXHIBIT B

2016 BUDGET NOTES FOR ESTIMATION OF MAINTENANCE FEE DISBURSEMENTS

UTILITIES AND SERVICES

Air Conditioning

Basic monthly servicing of chiller equipment. The cost has been increased to service air handler and exhaust fans every other month.

Total Annual Cost: \$9,420.00

Electricity (common areas only)

Electricity service for the air conditioning system, restrooms, hallways, elevators and other common areas. Each occupied suite shall be billed back for their monthly consumption for lighting and air conditioning uses. Cost has dramatically decreased as a result of PV installation, lighting retrofit of all common areas and new energy efficient booster pump.

Total Annual Cost: \$276,000.00

Elevator

Basic monthly maintenance service for 4 elevators. Excludes any repair costs.

Total Annual Cost: \$30,000.00

Refuse Collection

Based on two 3-yard containers serviced 6 days per week and one for normal trash and one recycle cardboard container. Excludes extra yardage charges.

Total Annual Cost: \$11,820.00

Telephone

4 lines for elevators and 1 line for manager's office.

Total Annual Cost: \$2,760.00

Water/Sewer (common areas only)

Projected cost to operate all restrooms, water fountains, fire sprinkler line, and landscaping. Each occupied suite will be billed for their monthly usage.

Total Annual Cost: \$20,700.00

Garage Operators

Quarterly services for all garage entry and exit operators. Excludes any repair costs.

Total Annual Cost: \$6,000.00

Fire Protection System

Quarterly services for entire system and fire alarm system. Excludes any repair costs.

Total Annual Cost: \$12,096.00

Security

Daily services to patrol the interior of the building once per night and check that all exterior doors are secured. This includes 10-hour daily patrol around perimeter.

Total Annual Cost: \$39,000.00

Parking

Projected expense for one parking cashier at \$15.00 per hour, 8 hours per day, 6 days per week. Note that the AOA will be assessed 102/207 49.28%.

Total Annual Cost: \$18,000.00 (approx. \$34,560.00 x 49.28%)

Building and Garage Janitorial Services

Nisei Building Maintenance is currently providing services. Their contract calls for a \$3,185.00 per month for the building, \$735.00 for the parking structure, plus \$575 average for supplies.

Total Annual Cost: \$53,940.00

Landscape Maintenance

Projected 3 times per week services to police, trim, weed, fertilize and maintain landscaped areas.

Total Annual Cost: \$12,000.00

Window Cleaning

Quarterly exterior window cleaning

Total Annual Cost: \$5,208.00

Energy Management

24-hour computer-modem monitoring and diagnostics of all building electrical

and mechanical systems. Vendor to provide the monthly utility usage per suite; projected cost of \$15.00 per month to be passed back to occupant.

Total Annual Cost: \$4,800.00

Emergency Generator

Monthly servicing and inspection of emergency generator.

Total Annual Cost: \$6,240.00

MAINTENANCE / REPAIRS

General Maintenance/Repairs

Projected items include, but not limited to, ballast replacements, repairs to doors and entry systems, lock repairs, pest control, carpet cleaning in common areas, plumbing repairs.

Total Annual Cost: \$21,600.00

Elevator Repairs

Projecting costs for repairs for 4 elevators (excludes monthly maintenance cost). Freight elevator is now in operation as a passenger elevator.

Total Annual Cost: \$5,220.00

Air Conditioning Repairs

Projected cost for repairs to chill-water system and components (excludes monthly maintenance costs).

Total Annual Cost: \$9,720.00

MANAGEMENT AND PAYROLL

Management Fees

Association management services include, but not limited to, annual budgeting and reconciliation (including reserve updates), overseeing all operations of the project and maintaining contracts and records, recommending preventive maintenance programs, overseeing all staff and contract vendors and providing monthly billings to each occupant.

Total Annual Cost: \$42,000.00

Payroll and Taxes

Projected cost for one facilities manager that reports to the association management. Facilities manager will be directly responsible for the operations of the project, including but not limited to mechanical and electrical systems, refuse collection, landscape maintenance, security and parking; to maintain accurate records of maintenance and repairs; to monitor and/or record the daily ingress and egress of visitor and vendor traffic; recommend preventative maintenance programs.

Total Annual Cost: \$51,600.00

Office

Costs for supplies, cell phone, etc. for on-site office.

Total Annual Cost: \$1,200.00

Other

Cost for annual audit, legal expense, etc.

Total Annual Cost: \$6,000.00

INSURANCE

Utilizing current costs from KMC, it is projected that property insurance will be \$24,000.00, and General Liability and Commercial Umbrella is \$18,000.

Total Annual Cost: \$42,000.00

RESERVES

Section 514A-83.6 of the Hawaii Revised Statutes ("HRS") requires the board of directors of a condominium association to prepare an annual operating budget, which shall include specified information concerning replacement reserves. "Replacement reserves" means funds for the upkeep, repair, or replacement of those parts of the property, including, but not limited to roofs, walls, decks, paving, and equipment that the condominium association is obligated to maintain. Section 16-107-61 *et seq.* of the Hawaii Administrative Rules ("HAR") implements the requirements of Section 514A-83.6 that all condominium associations must follow budgets and establish statutory replacement reserves.

Exhibit "C" sets forth the results of a reserve study made by Marcus Property Management, LLC, managing agent of the project, in order to estimate the amount of replacement reserves for the fiscal year 2015. The estimated replacement

reserves have been computed in accordance with the statute and regulations described above, specifically including HAR 16-107-65.

In regard to the estimate of replacement reserves, please note the following:

1. The estimated replacement reserves has been computed using a formula that is based on the estimated life and the estimated capital expenditure or major maintenance required for items constituting "association property" and has not been so computed for items constituting "exempt association property" (as such terms are defined in HAR Section 16-107-62).
2. The annual replacement reserve amount necessary to fund the full replacement cost of the association property has been calculated using a per cent funded plan. HRS Section 514A-83.6 permits the association to assess the unit owner's amounts necessary to fund a minimum of fifty percent (50%) of the estimated replacement reserves. The annual replacement reserve amount set forth in Exhibit "A" represents the minimum fifty percent (50%) funding.
3. No replacement reserves have been designated or contributed to a replacement reserve fund nor will any such reserves be designated, contributed, assessed or collected by the developer prior to the association's first assessment of such reserves.
4. The estimated replacement reserves have been computed based upon the assumption that the annual inflation rate affecting the cost of association property to be replaced and the annual interest rate accruing on amounts deposited in the replacement reserve fund are equal to one another. This assumption is not inconsistent with requirements set forth in HAR 16-107-65(e), which provides that the annual inflation rate used for any given year shall not be less than that of the Honolulu Consumer Price Index for All Urban Consumers for the preceding calendar year, and that the annual interest rate for any given year shall not exceed the average interest rate earned on Seven- Year United States Treasury [Notes] for the preceding calendar year.

Total Annual Cost: \$239,856.00

**EXHIBIT C
RESERVE REPLACEMENT**

	Replacement	Normal Life	2016 Remaining Life	Annual Replacement Input *
Division 7 - Thermal and Moisture Protection				
Modified Bituminous Sheet Roofing	104,681	25	10	n/a
Exterior Finish System (EFS)	209,240	50	35	n/a
Waterproofing	53,936	20	7	5,393.60
Exterior Painting	120,000	14	8	9,230.77
Division 8 - Doors and Windows				
Overhead Coiling Grilles	8,033	35	20	n/a
Overhead Coiling Grilles	6,461	35	20	n/a
Steel/Wood Doors and Frames	37,914	40	25	n/a
Door Hardware	34,253	30	25	n/a
Division 9 - Finishes				
Carpeting	30,000	15	0	30,000.00
Painting (interior)	29,433	10	0	29,433.00
Vinyl Coated Fabric Wall Covering	65,817	30	14	n/a
Suspended Acoustical Ceilings	59,960	50	35	n/a
Divisions 11 - Equipment				
Parking Controls Equipment	6,980	7	0	6,979.86
Division 14 - Conveying Systems				
Electric Traction Elevators (4)				
<u>Parts</u>				
Hoist Machines and related Traction Ei	80,000	25	10	n/a
Door Operators and related Car Door E	10,000	25	10	n/a
Hoist Ropes	7,200	7	0	7,200.00
Governor Rope	3,200	10	0	3,200.00
Controllers	120,000	25	10	n/a
Signals	1,000	4	0	1,000.00
IGBT	11,200	4	0	11,200.00
Cab Refurbishing	44,000	10	0	44,000.00
Hoistway Doors Floor	44,000	15	0	44,000.00

EXHIBIT D**ESTIMATED MONTHLY AND ANNUAL MAINTENANCE FEES**

UNIT	APPROXIMATE AREA (SQUARE FOOTAGE)	COMMON INTEREST	ESTIMATED MONTHLY MAINTENANCE FEE	ESTIMATED ANNUAL MAINTENANCE FEE
			\$ 77,515.00	\$ 930,180.00
SIXTH FLOOR				
601	1,498	1.8468%	\$ 1,431.55	\$ 17,178.56
602	947	1.1675%	\$ 904.99	\$ 10,859.85
603	947	1.1675%	\$ 904.99	\$ 10,859.85
604	1,072	1.1712%	\$ 907.86	\$ 10,894.27
605	1,312	1.8788%	\$ 1,456.35	\$ 17,476.22
606	830	0.9185%	\$ 711.98	\$ 8,543.70
607	1,251	1.5978%	\$ 1,238.53	\$ 14,862.42
608	652	0.8038%	\$ 623.07	\$ 7,476.79
609	924	1.1391%	\$ 882.97	\$ 10,595.68
610	924	1.1391%	\$ 882.97	\$ 10,595.68
611	1,532	1.8887%	\$ 1,464.03	\$ 17,568.31
612	462	0.5696%	\$ 441.53	\$ 5,298.31
	12,351	15.2884%	\$ 11,850.82	\$ 142,209.64
SEVENTH FLOOR				
701	1,498	1.8468%	\$ 1,431.55	\$ 17,178.56
702	947	1.1675%	\$ 904.99	\$ 10,859.85
703	947	1.1675%	\$ 904.99	\$ 10,859.85
704	1,072	1.1712%	\$ 907.86	\$ 10,894.27
705	1,312	1.8788%	\$ 1,456.35	\$ 17,476.22
706	830	0.9185%	\$ 711.98	\$ 8,543.70
707	1,251	1.5978%	\$ 1,238.53	\$ 14,862.42
708	652	0.8038%	\$ 623.07	\$ 7,476.79
709	924	1.1391%	\$ 882.97	\$ 10,595.68
710	924	1.1391%	\$ 882.97	\$ 10,595.68
711	1,527	1.8825%	\$ 1,459.22	\$ 17,510.64
712	811	0.9998%	\$ 774.99	\$ 9,299.94
	12,695	15.7124%	\$ 12,179.47	\$ 146,153.60
EIGHTH FLOOR				
801	1,498	1.8468%	\$ 1,431.55	\$ 17,178.56
802	947	1.1675%	\$ 904.99	\$ 10,859.85
803	947	1.1675%	\$ 904.99	\$ 10,859.85
804	1,072	1.1712%	\$ 907.86	\$ 10,894.27
805	1,312	1.8788%	\$ 1,456.35	\$ 17,476.22
806	830	0.9185%	\$ 711.98	\$ 8,543.70
807	1,251	1.5978%	\$ 1,238.53	\$ 14,862.42

808	652	0.8038%	\$	623.07	\$	7,476.79
809	924	1.1391%	\$	882.97	\$	10,595.68
810	924	1.1391%	\$	882.97	\$	10,595.68
811	1,527	1.8825%	\$	1,459.22	\$	17,510.64
812	811	0.9998%	\$	774.99	\$	9,299.94
	12,695	15.7124%	\$	12,179.47	\$	146,153.60

NINTH FLOOR

901	1,498	1.8468%	\$	1,431.55	\$	17,178.56
902	947	1.1675%	\$	904.99	\$	10,859.85
903	947	1.1675%	\$	904.99	\$	10,859.85
904	1,072	1.1712%	\$	907.86	\$	10,894.27
905	1,312	1.8788%	\$	1,456.35	\$	17,476.22
906	830	0.9185%	\$	711.98	\$	8,543.70
907	1,251	1.5978%	\$	1,238.53	\$	14,862.42
908	652	0.8038%	\$	623.07	\$	7,476.79
909	924	1.1391%	\$	882.97	\$	10,595.68
910	924	1.1391%	\$	882.97	\$	10,595.68
911	1,527	1.8825%	\$	1,459.22	\$	17,510.64
912	811	0.9998%	\$	774.99	\$	9,299.94
	12,695	15.7124%	\$	12,179.47	\$	146,153.60

TENTH FLOOR

1001	1,498	1.8468%	\$	1,431.55	\$	17,178.56
1002	947	1.1675%	\$	904.99	\$	10,859.85
1003	947	1.1675%	\$	904.99	\$	10,859.85
1004	1,072	1.1712%	\$	907.86	\$	10,894.27
1005	1,312	1.8788%	\$	1,456.35	\$	17,476.22
1006	830	0.9185%	\$	711.98	\$	8,543.70
1007	1,251	1.5978%	\$	1,238.53	\$	14,862.42
1008	652	0.8038%	\$	623.07	\$	7,476.79
1009	924	1.1391%	\$	882.97	\$	10,595.68
1010	924	1.1391%	\$	882.97	\$	10,595.68
1011	1,527	1.8825%	\$	1,459.22	\$	17,510.64
1012	811	0.9998%	\$	774.99	\$	9,299.94
	12,695	15.7124%	\$	12,179.47	\$	146,153.60

ELEVENTH FLOOR

1101	1,498	1.8468%	\$	1,431.55	\$	17,178.56
1102	947	1.1675%	\$	904.99	\$	10,859.85
1103	947	1.1675%	\$	904.99	\$	10,859.85
1104	1,072	1.1712%	\$	907.86	\$	10,894.27
1105	1,312	1.8788%	\$	1,456.35	\$	17,476.22
1106	830	0.9185%	\$	711.98	\$	8,543.70
1107	1,251	1.5978%	\$	1,238.53	\$	14,862.42
1108	652	0.8038%	\$	623.07	\$	7,476.79
1109	924	1.1391%	\$	882.97	\$	10,595.68

1110	924	1.1391%	\$	882.97	\$	10,595.68
1111	1,527	1.8825%	\$	1,459.22	\$	17,510.64
1112	811	0.9998%	\$	774.99	\$	9,299.94
	12,695	15.7124%	\$	12,179.47	\$	146,153.60

FIRST FLOOR COMMERCIAL

1	3,168	3.9056%	\$	3,027.43	\$	36,329.11
2	373	0.4598%	\$	356.41	\$	4,276.97
3	770	0.9493%	\$	735.85	\$	8,830.20
4	654	0.8063%	\$	625.00	\$	7,500.04
5	23	0.0284%	\$	22.01	\$	264.17
	4,988	6.1494%	\$	4,766.70	\$	57,200.49
	80,814	100.000%		\$77,514.87	\$	930,178.13

CERTIFICATION

MARCUS PROPERTY MANAGEMENT, LLC, a Hawaii limited liability company, the Managing Agent for the Kuakini Physicians' Tower condominium project, hereby certifies that Exhibits "A" through "D" attached to the Revised Disclosure Abstract dated as of February 12, 2016, were prepared in accordance with generally accepted accounting principles.

MARCUS PROPERTY MANAGEMENT, LLC

By 

Name: Christine Terese Ajirogi, RS-72714

Title: Commercial Property Manager

Dated: February 12, 2016